

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

[Japanese GAAP]

Company name: AOKI Holdings Inc.

Listings: Tokyo Stock Exchange

Stock code: 8214

URL: <https://www.aoki-hd.co.jp/>

Representative: Haruo Tamura, President

Contact: Satoshi Eguchi, General Manager of IR Office

Tel: +81-45-941-1388

Scheduled date of Annual General Meeting of Shareholders: June 25, 2026

Scheduled date of filing of Annual Securities Report: June 22, 2026

Scheduled date of payment of dividend: June 8, 2026

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on May 12, 2026 at 15:45 (GMT +9).

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 – March 31, 2026)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/26	194,532	1.0	16,947	8.3	16,370	10.7	9,461	(1.2)
FY3/25	192,688	2.6	15,646	12.9	14,782	11.7	9,574	26.4

Note: Comprehensive income (million yen)

FY3/26: 9,692 (up 3.6%)

FY3/25: 9,351 (up 20.6%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to sales
	Yen	Yen	%	%	%
FY3/26	112.45	-	6.6	7.1	8.7
FY3/25	113.89	-	6.9	6.3	8.1

Reference: Equity in income of affiliates (million yen)

FY3/26: -

FY3/25: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2026	225,455	145,208	64.3	1,721.79
As of Mar. 31, 2025	232,976	142,140	60.9	1,686.64

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2026: 144,902

As of Mar. 31, 2025: 141,842

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/26	17,635	(10,562)	(14,945)	27,008
FY3/25	21,736	(8,519)	(13,992)	34,880

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/25	-	15.00	-	60.00	75.00	6,307	65.9	4.5
FY3/26	-	20.00	-	60.00	80.00	6,732	71.1	4.7
FY3/27 (forecasts)	-	30.00	-	60.00	90.00		75.7	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	200,000	2.8	18,000	6.2	17,500	6.9	10,000	5.7	118.82

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and accounting-based estimates, and restatements

- | | |
|---|------|
| 1) Changes in accounting policies due to revisions in accounting standards, others: | None |
| 2) Changes in accounting policies other than 1) above: | None |
| 3) Changes in accounting-based estimates: | None |
| 4) Restatements: | None |

(3) Number of shares outstanding (common shares)

- | | | | |
|--|-------------------|----------------------------------|-------------------|
| 1) Number of shares outstanding (including treasury shares) at the end of the period | | | |
| As of Mar. 31, 2026: | 86,649,504 shares | As of Mar. 31, 2025: | 86,649,504 shares |
| 2) Number of treasury shares at the end of the period | | | |
| As of Mar. 31, 2026: | 2,491,481 shares | As of Mar. 31, 2025: | 2,551,777 shares |
| 3) Average number of shares outstanding during the period | | | |
| Fiscal year ended Mar. 31, 2026: | 84,135,656 shares | Fiscal year ended Mar. 31, 2025: | 84,068,804 shares |

Note 1: This financial report is not subject to audit by certified public accountants or auditing firms.

Note 2: Cautionary statement with respect to forecasts and other matters

Cautionary statement with respect to forward-looking statements

Forecasts and forward-looking statements in these materials are based on assumptions judged to be valid and information available to the Company at the time the materials were created. These materials are not promises by the Company regarding future performance. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to “1. Overview of Results of Operations, etc. (4) Outlook” on page 4 of the attachments regarding preconditions or other related matters for the forecast shown above.

Supplementary materials for financial results

Supplementary materials for financial results are disclosed on TDnet on Tuesday, May 12, 2026 and posted on the Company’s website.

Disclosure of the information meeting materials

The Company plans to hold a financial results meeting for institutional investors and analysts by web conference on Friday, May 22, 2026. Materials to be distributed at this event will be available on the Company’s website on the afternoon of the day before the meeting.

Contents of Attachments	Pages
1. Overview of Results of Operations, etc.	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	4
(4) Outlook	4
2. Basic Approach for the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Income	8
Consolidated Statement of Comprehensive Income	9
(3) Consolidated Statement of Changes in Shareholders' Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
Going Concern Assumption	13
Material Accounting-based Estimates	13
Segment Information	15
Per Share Information	18
Subsequent Events	18
4. Other	18
Changes in Directors	18

1. Overview of Results of Operations, etc.

(1) Results of Operations

In the fiscal year that ended in March 2026, the Japanese economy recovered at a moderate pace backed by improvements in the labor market and personal income. The outlook for the economy is still unclear. Uncertainty is increasing because of the increasingly tense situations in the Middle East and U.S. tariffs are impacting the Japanese economy. In addition, consumers are still holding down their spending as inflation continues. The outlook for the economy remains uncertain because of increasing uncertainty due to the increasingly tense situations in the Middle East, U.S. trade policy, and a strong desire of consumers to economize as inflation continues. The AOKI Group implemented numerous measures in all business segments as explained below in response to this challenging business climate and lifestyle changes. The results for the fiscal year were as follows.

Net sales	194,532 million yen	(up 1.0% year-on-year)
Operating profit	16,947 million yen	(up 8.3% year-on-year)
Ordinary profit	16,370 million yen	(up 10.7% year-on-year)
Profit attributable to owners of parent	9,461 million yen	(down 1.2% year-on-year)

Business segment performance was as follows.

Fashion Business

The marketing campaign for apparel in the Freshers category, which consists of young people who are starting college or a new job, featured the Naniwa Danshi, a Japanese boy band that is very popular among men and women. In addition, this business held a Freshers Support Fair with the new participation of actress Mei Hata. The MeWORK line of functional apparel for women used a collaboration with Oggi, a popular magazine for working women, to develop a large number of innovative items. One example is the Kamiraku Setup, which combines trendy designs and outstanding functions. ORIHICA opened new stores and remodeled major stores as planned with the goals of increasing its market share and raising awareness of the ORIHICA brand. Measures for enlarging the merchandise lineup included extending the successful line of business casual apparel to encompass fashions for women, too. Two AOKI stores were opened and ORIHICA added 20 stores. To improve efficiency, six AOKI stores and eight ORIHICA stores were closed. As a result, the number of stores increased from 603 at the end of the previous fiscal year to 611 at the end of the current fiscal year.

Although these activities and new stores contributed to sales and earnings, fiscal year performance was held down by the rising cost of purchasing merchandise, expenses for opening new stores and other items. Sales in this segment increased 0.3% to 102,894 million yen and operating profit decreased 2.1% to 8,508 million yen.

Entertainment Business

To raise sales per customer and bring in more customers, KAIKATSU CLUB café complexes continued to add private rooms with locks, enlarged the food and beverage lineup by developing a Kaikatsu Original Menu and taking other actions, and upgraded other content for customers including darts and karaoke. COTE D'AZUR karaoke stores used numerous initiatives to attract a broader range of customer segments. Food and beverage selections were expanded with activities that included an Ichigo (strawberry) Fair that used a tie-up with a high-end ice cream brand. Another measure was the sale of a party package during Japan's season for holding welcome and farewell parties. At 24-hour FiT24 fitness centers, there were several activities for attracting new members, such as a spring new member campaign with a reduced monthly fee. The START SUPPORT training support system was strengthened, new machines were installed and other steps were taken to provide a training environment that is ideal for everyone from beginners to people with many years of experience. During the current fiscal year, KAIKATSU CLUB opened 26 cafés, COTE D'AZUR opened two karaoke facilities and FiT24 opened five fitness centers. 14 KAIKATSU CLUB cafés, four COTE D'AZUR karaoke facilities, and nine FiT24 fitness centers were closed due to measures to improve efficiency. As a result, including the 81 JIYU KUKAN café complexes and other locations of RUNSYSTEM (including 46 franchised stores), the number of locations in this business increased from 768 at the end of the previous fiscal year to 773 at the end of the current fiscal year.

Segment sales and earnings increased as these measures generated firm sales at existing locations. Sales in this segment increased 1.0% to 76,783 million yen and operating profit increased 21.3% to 7,267 million yen.

Anniversaire and Bridal Business

In addition to continuing to strengthen activities to receive orders, this business used appropriate prices that match changes in market conditions and upgraded customer service skills to increase sales per couple. Based on a newly announced concept for weddings, Anniversaire added new ideas for weddings that match changing needs and preferences, the diversification of values and other trends in the wedding market. Using these measures further differentiated the Anniversaire brand from competitors. At the ANNIVERSAIRE Café Minato Mirai in Yokohama, there was a SAKURA Sweets Collection event held jointly with a well-known jewelry company. The menu featured limited-time-only dessert and beverage selections.

As a result of these activities, the number of weddings and sales per couple increased mainly at the flagship ANNIVERSAIRE Omotesando and the ANNIVERSAIRE Minato Mirai Yokohama locations. Sales in this segment increased 6.3% to 12,448 million yen and operating profit increased 61.3% to 874 million yen.

Real Estate Leasing Business

Segment sales increased 4.6% to 7,195 million yen and operating profit decreased 2.7% to 1,544 million yen mainly because of the leasing of idle space of the AOKI Group's stores and an increase in the cost of some subleasing stores and other facilities.

(2) Financial Position

Balance sheet position

Assets

Total assets at the end of the current fiscal year decreased 7,520 million yen from the end of the previous fiscal year to 225,455 million yen.

Current assets decreased 8,954 million yen mainly due to decreases of 7,871 million yen in cash and deposits and 1,341 million yen in other current assets including trust beneficiary rights. Non-current assets increased 1,434 million yen mainly due to increases of 1,154 million yen in property, plant and equipment due to new store openings and other activities, 718 million yen in intangible assets and 874 million yen in retirement benefit asset, while there was a decrease of 1,313 million yen in deferred tax assets.

Liabilities

Current liabilities decreased 4,618 million yen from the end of the previous fiscal year. There were decreases of 3,106 million yen in accounts payable-trade mainly due to a change in payment terms, 1,401 million yen in provision for bonuses and 598 million yen in accounts payable-other, while there was an increase of 1,000 million yen in short-term borrowings. Non-current liabilities decreased 5,969 million yen due to a decrease of 6,724 million yen in long-term borrowings.

Net assets

Net assets increased 3,067 million yen from the end of the previous fiscal year. Retained earnings increased 2,732 million yen due to a profit attributable to owners of parent and dividend from surplus.

(3) Cash Flows**Cash flow position**

(Millions of yen)

	FY3/25	FY3/26
Cash flows from operating activities	21,736	17,635
Cash flows from investing activities	(8,519)	(10,562)
Cash flows from financing activities	(13,992)	(14,945)
Increase (decrease) in cash and cash equivalents	(776)	(7,871)
Cash and cash equivalents at beginning of period	35,657	34,880
Cash and cash equivalents at end of period	34,880	27,008

Cash and cash equivalents at the end of the current fiscal year decreased 7,871 million yen from the end of the previous fiscal year to 27,008 million yen mainly due to purchase of property, plant and equipment, a decrease in trade payables and an increase in dividend paid, while there was an increase in profit before income taxes.

Net cash provided by operating activities decreased 4,100 million yen from one year earlier to 17,635 million yen. The principal factors were profit before income taxes of 14,975 million yen and depreciation of 10,198 million yen, while there were income taxes paid of 4,023 million yen and a decrease in trade payables of 3,106 million yen.

Net cash used in investing activities increased 2,042 million yen from one year earlier to 10,562 million yen. This was mainly due to the payments of 10,980 million yen for the purchase of property, plant and equipment for capital investment.

Net cash used in financing activities increased 952 million yen from one year earlier to 14,945 million yen. This was mainly due to repayments of long-term borrowings of 12,024 million yen, repayments of lease liabilities of 2,199 million yen and dividends paid of 6,720 million yen, while there were short-term borrowings of 1,000 million yen and long-term borrowings of 5,000 million yen.

(4) Outlook

The outlook is expected to remain uncertain due to persistent inflation resulting from the high cost of energy and raw materials, concerns about the prolonged increasingly tense situations in the Middle East, U.S. tariffs and other reasons. In this difficult environment, we will continue to take numerous measures in each of our businesses for the creation of new forms of value by providing products and services that reflect changes in market conditions and life styles. We will also increase synergies among all businesses of the AOKI Group. Our objective is the growth of the corporate value of the entire group.

In the Fashion Business, AOKI and ORIHICA are positioned as providers of Life & Work Style fashions. Both stores use merchandise strategies that closely match the diversification of customers' needs and changes in the consumer spending environment. The medium to long-term goal is to become more profitable by increasing casual and women's apparel as a share of total sales and shifting stores to highly efficient formats that include innovative ideas. During the next fiscal year, the AOKI and ORIHICA store network will continue to grow with 14 new locations planned.

The Entertainment Business will continue to add private rooms with locks at cafés and focus on attracting a broader range of customer segments by providing a variety of content and new services and implementing various campaigns. More labor-saving measures are planned to raise the efficiency of café and other operations and improve profitability. During the next fiscal year, 30 new KAIKATSU CLUB and FiT24 locations are planned.

In the ANNIVERSAIRE and Bridal Business, there will be more activities to receive wedding orders by increasing sales measures at wedding locations, primarily the flagship Omotesando and Minato Mirai Yokohama locations. Sales activities are also targeting the demand for spaces to hold corporate events such as exhibitions and parties. Another goal is to become more profitable and efficient by standardizing operations at ANNIVERSAIRE locations and using other initiatives.

Business segment forecasts are as follows.

Business segment forecasts for the fiscal year ending March 31, 2027

(Millions of yen)

	Fashion	Entertainment	Anniversaire and Bridal	Real Estate Leasing	Consolidated
Sales	106,500	77,700	13,000	7,400	200,000
YoY change (%)	103.5	101.2	104.4	102.8	102.8
Segment profit	8,900	7,875	1,000	1,700	18,000
YoY change (%)	104.6	108.4	114.4	110.1	106.2

Note: Segment profit is operating profit. Total segment profit differs from consolidated operating profit because of other business and consolidation adjustments.

Business segment forecasts are based on the following assumptions for changes in existing -store sales.

(%)

	1Q	2Q	1H	3Q	4Q	2H	Full year
Fashion	2.3	2.5	2.4	4.4	2.2	3.0	2.8
Entertainment	0.6	0.6	0.6	1.7	(0.3)	0.7	0.6

Notes: 1. The ANNIVERSAIRE and Bridal Business expects an increase of 0.7% year-on-year in the number of weddings at existing facilities.

2. The Entertainment Business does not include RUNSYSTEM.

2. Basic Approach for the Selection of Accounting Standards

The AOKI Group's operations are located in Japan and the Group has little or no need of raising funds in overseas markets. Moreover, the percentage of shares held by foreign shareholders is relatively small. In view of the above factors the Company currently uses Japanese accounting standards for its financial statements.

The Company will consider using International Financial Reporting Standards (IFRS) if considered necessary by the future direction of the Group's business development, the use of IFRS by other companies in Japan and other factors.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	34,880	27,008
Accounts receivable-trade	14,855	14,479
Inventories	22,737	23,370
Other	7,357	6,015
Allowance for doubtful accounts	(11)	(10)
Total current assets	79,819	70,865
Non-current assets		
Property, plant and equipment		
Buildings and structures	149,701	153,573
Accumulated depreciation	(83,940)	(87,015)
Buildings and structures, net	65,760	66,557
Machinery, vehicles, tools, furniture and fixtures	26,849	28,339
Accumulated depreciation	(15,595)	(17,194)
Machinery, vehicles, tools, furniture and fixtures, net	11,253	11,145
Land	30,397	30,692
Leased assets	14,429	15,446
Accumulated depreciation	(9,913)	(10,809)
Leased assets, net	4,516	4,636
Construction in progress	182	232
Total property, plant and equipment	112,110	113,264
Intangible assets	6,403	7,121
Investments and other assets		
Investment securities	760	541
Guarantee deposits	6,233	6,203
Leasehold deposits	19,025	19,152
Retirement benefit asset	143	1,018
Deferred tax assets	7,119	5,805
Other	1,383	1,496
Allowance for doubtful accounts	(24)	(14)
Total investments and other assets	34,642	34,204
Total non-current assets	153,156	154,590
Total assets	232,976	225,455

	(Millions of yen)	
	FY3/25	FY3/26
	(As of Mar. 31, 2025)	(As of Mar. 31, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	18,023	14,916
Short-term borrowings	-	1,000
Current portion of long-term borrowings	10,305	10,005
Lease liabilities	1,808	1,541
Accounts payable-other	7,737	7,139
Income taxes payable	2,190	2,558
Contract liabilities	2,174	2,155
Provision for bonuses	3,398	1,997
Provision for bonuses for directors (and other officers)	193	152
Other	4,794	4,541
Total current liabilities	50,627	46,009
Non-current liabilities		
Long-term borrowings	25,684	18,960
Lease liabilities	2,865	3,452
Retirement benefit liability	62	66
Asset retirement obligations	8,818	8,897
Other	2,776	2,861
Total non-current liabilities	40,207	34,238
Total liabilities	90,835	80,247
Net assets		
Shareholders' equity		
Share capital	23,282	23,282
Capital surplus	22,612	22,644
Retained earnings	98,017	100,749
Treasury shares	(2,960)	(2,887)
Total shareholders' equity	140,952	143,789
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	151	7
Remeasurements of defined benefit plans	737	1,105
Total accumulated other comprehensive income	889	1,112
Non-controlling interests	298	306
Total net assets	142,140	145,208
Total liabilities and net assets	232,976	225,455

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**Consolidated Statement of Income**

(Millions of yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)
Net sales	192,688	194,532
Cost of sales	111,998	111,651
Gross profit	80,690	82,881
Selling, general and administrative expenses	65,043	65,933
Operating profit	15,646	16,947
Non-operating income		
Interest income	89	128
Dividend income	20	15
Other	160	92
Total non-operating income	271	235
Non-operating expenses		
Interest expenses	255	257
Loss on retirement of non-current assets	156	227
Loss on store closings	141	93
Other	582	234
Total non-operating expenses	1,135	813
Ordinary profit	14,782	16,370
Extraordinary income		
Gain on sale of non-current assets	184	20
Gain on sale of investment securities	563	167
Compensation for expropriation	157	-
Compensation income	-	131
Total extraordinary income	905	318
Extraordinary losses		
Loss on sale of non-current assets	20	-
Impairment losses	1,620	1,713
Loss on valuation of investment securities	103	-
Total extraordinary losses	1,743	1,713
Profit before income taxes	13,943	14,975
Income taxes – current	3,826	4,364
Income taxes – deferred	543	1,141
Total income taxes	4,370	5,506
Profit	9,573	9,469
Profit (loss) attributable to non-controlling interests	(0)	8
Profit attributable to owners of parent	9,574	9,461

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025– Mar. 31, 2026)
Profit	9,573	9,469
Other comprehensive income		
Valuation difference on available-for-sale securities	(590)	(144)
Remeasurements of defined benefit plans, net of tax	367	367
Total other comprehensive income	(222)	223
Comprehensive income	9,351	9,692
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,352	9,684
Comprehensive income attributable to non-controlling interests	(0)	8

(3) Consolidated Statement of Changes in Shareholders' Equity

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,282	22,597	92,813	(3,047)	135,645
Changes during period					
Dividends of surplus			(4,370)		(4,370)
Profit attributable to owners of parent			9,574		9,574
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		15		88	103
Net changes in items other than shareholders' equity					
Total changes during period	-	15	5,204	87	5,307
Balance at end of period	23,282	22,612	98,017	(2,960)	140,952

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	741	369	1,111	299	137,056
Changes during period					
Dividends of surplus					(4,370)
Profit attributable to owners of parent					9,574
Purchase of treasury shares					(0)
Disposal of treasury shares					103
Net changes in items other than shareholders' equity	(590)	367	(222)	(0)	(222)
Total changes during period	(590)	367	(222)	(0)	5,084
Balance at end of period	151	737	889	298	142,140

FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,282	22,612	98,017	(2,960)	140,952
Changes during period					
Dividends of surplus			(6,729)		(6,729)
Profit attributable to owners of parent			9,461		9,461
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		31		73	105
Net changes in items other than shareholders' equity					
Total changes during period	-	31	2,732	72	2,836
Balance at end of period	23,282	22,644	100,749	(2,887)	143,789

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	151	737	889	298	142,140
Changes during period					
Dividends of surplus					(6,729)
Profit attributable to owners of parent					9,461
Purchase of treasury shares					(1)
Disposal of treasury shares					105
Net changes in items other than shareholders' equity	(144)	367	223	8	231
Total changes during period	(144)	367	223	8	3,067
Balance at end of period	7	1,105	1,112	306	145,208

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)
Cash flows from operating activities		
Profit before income taxes	13,943	14,975
Depreciation	9,920	10,198
Impairment losses	1,620	1,713
Amortization of goodwill	81	1
Increase (decrease) in retirement benefit assets and liabilities	(174)	(331)
Increase (decrease) in provision for bonuses	(391)	(1,401)
Interest and dividend income	(110)	(143)
Interest expenses	255	257
Gain on sale of non-current assets	(185)	(20)
Loss on sale of non-current assets	20	-
Loss (gain) on sale of investment securities	(563)	(167)
Loss (gain) on valuation of investment securities	103	-
Decrease (increase) in trade receivables	586	375
Decrease (increase) in inventories	(490)	(632)
Increase (decrease) in trade payables	(689)	(3,106)
Increase (decrease) in contract liabilities	298	(18)
Increase (decrease) in accrued consumption taxes	396	(668)
Other, net	522	731
Subtotal	25,143	21,763
Interest and dividends received	95	128
Interest paid	(263)	(259)
Income taxes paid	(3,737)	(4,023)
Income taxes refund	498	26
Net cash provided by (used in) operating activities	21,736	17,635
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,973)	(10,980)
Proceeds from sale of property, plant and equipment	1,566	1,270
Purchase of intangible assets	(752)	(1,351)
Payments of leasehold and guarantee deposits	(862)	(977)
Proceeds from refund of leasehold and guarantee deposits	852	489
Proceeds from sale of investment securities	1,304	219
Net decrease (increase) in trust beneficiary rights	56	1,646
Other, net	(711)	(880)
Net cash provided by (used in) investing activities	(8,519)	(10,562)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	1,000
Proceeds from long-term borrowings	3,000	5,000
Repayments of long-term borrowings	(9,539)	(12,024)
Repayments of lease liabilities	(2,588)	(2,199)
Purchase of treasury shares	(0)	(1)
Dividends paid	(4,363)	(6,720)
Other, net	(500)	-
Net cash provided by (used in) financing activities	(13,992)	(14,945)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	(776)	(7,871)
Cash and cash equivalents at beginning of period	35,657	34,880
Cash and cash equivalents at end of period	34,880	27,008

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

No reportable information.

Material Accounting-based Estimates

1. Impairment losses on non-current assets for stores

(1) Amounts shown on the consolidated financial statements

(Millions of yen)

	FY3/25			FY3/26		
	Fashion	Entertainment	Anniversaire and Bridal	Fashion	Entertainment	Anniversaire and Bridal
Book value of non-current assets by segment at end of period (After recording impairment losses) ^{Note}	45,146	57,304	13,784	46,512	57,815	13,475
Impairment loss	360	1,229	-	510	1,198	-

Note: Includes non-current assets for stores and corporate assets

(2) Information concerning significant accounting estimates for identifiable items

i. Calculation method for estimates

The identification of the need for impairment and the recognition and measurement of impairment losses utilize estimates of budgets in the following fiscal year and future cash flows for individual stores.

Individual stores are the smallest unit used for sources of independent cash flows. Indications of the need for impairment are monitored primarily at stores that have an operating loss for two consecutive years, stores that were unprofitable in the fiscal year that ended in March 2026 and are expected to remain unprofitable in the following fiscal year, stores where the fair value of non-current assets has decreased significantly, and stores that are to be closed. At stores where there is a need for impairment, future cash flows are estimated and if total cash flows before discounting are less than the book value of the store's non-current assets, the book value is reduced to the amount that can be recovered and this reduction is recognized as an impairment loss. The amount that can be recovered is the higher of the net sales proceeds and the utilization value.

ii. Major assumptions

Future cash flows are based on forecasts of future sales and operating profit at individual stores in accordance with business plans that have been approved by executives with the appropriate authority. Total cash flows before discounting and utilization value are determined by using a period of 20 years for stores where operations are expected to continue, the length of a contract for stores where a contract cannot be renewed, and the remaining time of operations for stores that are to be closed.

Fashion Business

New stores normally have an operating loss in the first year because of start-up expenses. As a result, the first year is not included in the monitoring period used to identify indications of the need for impairment. Furthermore, we believe that the business model of the Fashion Business needs to be revised to reflect the increasingly diverse business styles. We will continue to strengthen women's and casual apparel, including business casual fashions. When estimating future sales and earnings, it is assumed that total existing store sales in the fiscal year ending in March 2027 and afterward will be 102% to 103% of sales in the fiscal year that ended in March 2026.

Entertainment Business

Due to the characteristics of this business, the number of customers at a new location normally increases for about the first three years as awareness of the location increases. Furthermore, there is usually an operating loss in the first year of operation because of start-up expenses. As a result, the first year is not included in the impairment monitoring period. When estimating future sales and earnings, it is assumed that total existing store sales (excluding sales of RUNSYSTEM and its subsidiaries) in the fiscal year ending in March 2027 and afterward will be between

98% and 100% (99% to 100% for café complex, 99% to 100% for karaoke and 99% to 103% for fitness) of sales in the fiscal year that ended in March 2026.

Anniversaire and Bridal Business

The number of weddings in Japan is decreasing as the population declines and the styles of weddings that couples prefer change. This business provides weddings that match the desires and distinctive characteristics of every couple in order to match the increasingly broad range of values of couples in Japan. When estimating future sales and earnings, it is assumed that the number of weddings at existing locations in the fiscal year ending in March 2027 and afterward will be between 99% and 103% of the number in the fiscal year that ended in March 2026.

(3) Effect on the consolidated financial statements in the fiscal year ending in March 2027

If actual results of operations differ significantly from the sales and operating profit forecasts for the fiscal year ending in March 2027 and afterward because of changes in market conditions, there may be an effect on the amount of the impairment loss in the fiscal year ending in March 2027.

The book values are as follows for non-current assets of stores where there was no impairment because the fiscal year that ended in March 2026 was the store's first year of operation or indications of the need for impairment were identified but assets were not impaired on the basis of the sales and operating profit forecasts.

(Millions of yen)

	FY3/25			FY3/26		
	Fashion	Entertainment	Anniversaire and Bridal	Fashion	Entertainment	Anniversaire and Bridal
Book value of non-current assets of stores exempt from impairment monitoring due to the first year of operation	649	1,590	-	966	2,998	-
Book value of non-current assets of stores with indications of the need for impairment but no impairment	2,432	Note 1 9,117	1,518	2,642	Note 2 5,586	1,345

Notes: 1. Café complex: 6,701 million yen; karaoke: 606 million yen and fitness: 1,809 million yen

2. Café complex: 3,965 million yen; karaoke: 685 million yen and fitness: 935 million yen

2. Recoverability of deferred tax assets

(1) Amounts shown on consolidated financial statements

(Millions of yen)

	FY3/25	FY3/26
Deferred tax assets	7,119	5,805

(2) Information concerning significant accounting estimates for identifiable items

i. Calculation method for estimates

Deferred tax assets are recognized for the Company and its consolidated subsidiaries, to the extent that these assets can reduce future tax payments. Recognition is based on the schedule for the elimination of future addition differences at each consolidated subsidiary, the outlook for future taxable income in accordance with the profitability of the group's businesses, tax planning, and other factors. The outlook for the taxable income of the Company and its consolidated subsidiaries, which reflects expectations concerning future profitability, is based on business plans that have been approved by executives with the appropriate authority.

ii. Major assumptions

The business plans prepared by the Company and its consolidated subsidiaries incorporate forecasts concerning changes in demand, sales and other items. An explanation of primary assumptions on the businesses of the consolidated subsidiaries is in "1. Impairment losses on non-current assets for stores." At consolidated subsidiaries, the business plan includes the expected sales and earnings from locations planned to be opened during the fiscal year that ending in March 2027 and afterward.

iii. Effect on the consolidated financial statements in the fiscal year ending in March 2027

If actual results of operations differ significantly from the sales and operating profit forecasts for the fiscal year ending in March 2027 and afterward because of changes in market conditions or some other reason, there may be an effect on the amounts of the deferred tax assets and income taxes – deferred in the fiscal year ending in March 2027.

Segment Information

1. Overview of reportable segment

The Group defines reportable segments as businesses for which financial details can be compiled; the Board of Directors will review this information on a periodic basis in order to assist with decisions about allocating resources and evaluating the performance.

The Company, as a pure holding company, supports the businesses of the various companies in the Group. The Company and each business company proposes and executes comprehensive strategies for the products and services they sell in Japan.

The products and services of the Company and the business companies are divided into segments. The four reportable segments are the Fashion Business, the Entertainment Business, the ANNIVERSAIRE and Bridal Business, and the Real Estate Leasing Business.

The Fashion Business plans and sells men's and women's wear; the Entertainment Business operates KAIKATSU CLUB and JIYU KUKAN, which provide services and spaces for a variety of experiences that match the current needs and preferences of consumers, fitness centers, and karaoke facilities; the ANNIVERSAIRE and Bridal Business operates wedding halls; and the Real Estate Leasing Business leases real estate of the AOKI Group, including space previously occupied by stores and other businesses that were closed, within the Group and to other companies.

2. Calculation methods for sales, profits/losses, assets, liabilities and other items for each reportable segment

The accounting treatment methods for reportable segments are generally the same as accounting principles and procedures used for the preparation of the consolidated financial statements.

Profits for reportable segments are generally operating profit figures. Profits on and transfer amounts of inter-segment transactions within the Group are based on current market prices.

3. Information related to sales, profits/losses, assets, and other items for each reportable segment and breakdown of revenue

FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)

(Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Fashion	Entertainment	Anniversaire and Bridal	Real Estate Leasing	Subtotal				
Net sales									
Fashion	102,620	-	-	-	102,620	-	102,620	-	102,620
Café complex	-	60,064	-	-	60,064	-	60,064	-	60,064
Karaoke	-	10,212	-	-	10,212	-	10,212	-	10,212
Fitness	-	5,097	-	-	5,097	-	5,097	-	5,097
Bridal	-	-	11,705	-	11,705	-	11,705	-	11,705
Other	-	566	-	-	566	201	767	-	767
Revenue from contracts with customers	102,620	75,940	11,705	-	190,266	201	190,468	-	190,468
Other revenues	-	85	-	2,135	2,220	-	2,220	-	2,220
External sales	102,620	76,025	11,705	2,135	192,486	201	192,688	-	192,688
Inter-segment sales and transfers	0	15	7	4,741	4,765	64	4,829	(4,829)	-
Total	102,621	76,040	11,713	6,877	197,252	266	197,518	(4,829)	192,688
Segment profit (loss)	8,690	5,991	541	1,587	16,811	(2)	16,808	(1,161)	15,646
Segment assets	102,523	66,818	15,646	25,693	210,680	-	210,680	22,295	232,976
Other items									
Depreciation	2,050	6,371	784	204	9,411	-	9,411	476	9,888
Amortization of goodwill	-	81	-	-	81	-	81	-	81
Increase in property, plant and equipment and intangible assets	3,974	8,231	848	164	13,219	-	13,219	237	13,456

Notes: 1. The “others” classification refers to businesses not included in reportable segments such as advertising-related business.

2. The above adjustments include the following items.

- (1) The -1,161 million yen adjustment to segment profit (loss) includes 3,696 million yen in elimination for inter-segment transactions and -4,858 million yen in company-wide costs that cannot be allocated to any specific reportable segments. Company-wide costs mainly include administration expenses of the Company that cannot be attributed to reportable segments.
- (2) The 22,295 million yen adjustment to segment assets includes -43,451 million yen in elimination of the offsetting receivables from subsidiaries, and company-wide assets of 65,746 million yen that cannot be allocated to any specific reportable segments. Company-wide assets consist mainly of the Company’s land and building and structures of the head office that cannot be attributed to reportable segments.
- (3) The 237 million yen adjustment to an increase in property, plant and equipment and intangible assets mainly includes investment in company-wide systems.

3. Segment profit (loss) is adjusted with operating profit on the consolidated statement of income.

4. Information related to sales, profits, assets, and other items for each reportable segment and breakdown of revenue

FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)

(Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Fashion	Entertainment	Anniversaire and Bridal	Real Estate Leasing	Subtotal				
Net sales									
Fashion	102,892	-	-	-	102,892	-	102,892	-	102,892
Café complex	-	61,281	-	-	61,281	-	61,281	-	61,281
Karaoke	-	9,471	-	-	9,471	-	9,471	-	9,471
Fitness	-	5,597	-	-	5,597	-	5,597	-	5,597
Bridal	-	-	12,436	-	12,436	-	12,436	-	12,436
Other	-	327	-	-	327	239	567	-	567
Revenue from contracts with customers	102,892	76,677	12,436	-	192,006	239	192,246	-	192,246
Other revenues	-	84	-	2,202	2,286	-	2,286	-	2,286
External sales	102,892	76,762	12,436	2,202	194,292	239	194,532	-	194,532
Inter-segment sales and transfers	1	21	12	4,993	5,028	59	5,088	(5,088)	-
Total	102,894	76,783	12,448	7,195	199,321	298	199,620	(5,088)	194,532
Segment profit	8,508	7,267	874	1,544	18,194	16	18,210	(1,262)	16,947
Segment assets	96,593	67,896	15,062	26,638	206,190	-	206,190	19,264	225,455
Other items									
Depreciation	2,205	6,479	806	221	9,713	-	9,713	455	10,169
Amortization of goodwill	-	1	-	-	1	-	1	-	1
Increase in property, plant and equipment and intangible assets	4,696	8,647	479	403	14,226	-	14,226	313	14,540

Notes: 1. The "others" classification refers to businesses not included in reportable segments such as advertising-related business.

2. The above adjustments include the following items.

- (1) The -1,262 million yen adjustment to segment profit includes 3,319 million yen in elimination for inter-segment transactions and -4,582 million yen in company-wide costs that cannot be allocated to any specific reportable segments. Company-wide costs mainly include administration expenses of the Company that cannot be attributed to reportable segments.
- (2) The 19,264 million yen adjustment to segment assets includes -39,203 million yen in elimination of the offsetting receivables from subsidiaries, and company-wide assets of 58,468 million yen that cannot be allocated to any specific reportable segments. Company-wide assets consist mainly of the Company's land and building and structures of the head office that cannot be attributed to reportable segments.
- (3) The 313 million yen adjustment to an increase in property, plant and equipment and intangible assets mainly includes investment in company-wide systems.

3. Segment profit is adjusted with operating profit on the consolidated statement of income.

Per Share Information

(Yen)

	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)
Net assets per share	1,686.64	1,721.79
Net income per share	113.89	112.45

Notes: 1. Diluted net income per share is not presented as there were no potential stock.

2. The following is a reconciliation of net income per share

(Millions of yen)

Item	FY3/25 (Apr. 1, 2024 – Mar. 31, 2025)	FY3/26 (Apr. 1, 2025 – Mar. 31, 2026)
Net income per share		
Profit attributable to owners of parent	9,574	9,461
Profit not attributable to common shareholders	-	-
Profit attributable to owners of parent applicable to common shares	9,574	9,461
Average number of common shares outstanding during the period (Thousand shares)	84,068	84,135
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	-	-

3. The following is a reconciliation of net assets per share

(Millions of yen)

Item	FY3/25 (As of Mar. 31, 2025)	FY3/26 (As of Mar. 31, 2026)
Total net assets	142,140	145,208
Deduction on total net assets	298	306
[of which non-controlling interests]	[298]	[306]
Net assets applicable to common shares	141,842	144,902
Number of common shares used in calculation of net assets per share (Thousand shares)	84,097	84,158

Subsequent Events

No reportable information.

4. Other

Changes in Directors

Candidate for director of AOKI Holdings (effective June 25, 2026)

Director Katsuhisa Ueda (Currently General Manager of Group Business Strategy Office of AOKI Holdings)

** This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*